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2:31 p.m.

Chapter No. 440
19/SS36/R84SG
LR 1TB/RC

SENATE BILL NO. 2210

Originated in Senate  Secretary

SENATE BILL NO. 2210

AN ACT TO CREATE THE "ENDOW MISSISSIPPI PROGRAM" TO PROMOTE PHILANTHROPIC INVESTMENTS IN LOCAL COMMUNITY DEVELOPMENT PROGRAMS BY PROVIDING A TAX CREDIT FOR CHARITABLE GIFTS MADE BY TAXPAYERS TO ENDOWED FUNDS HELD BY COMMUNITY FOUNDATIONS IN MISSISSIPPI; TO PROVIDE THAT THE TAX CREDIT SHALL BE 25% OF A QUALIFIED CONTRIBUTION TO AN ENDOWED FUND AT A QUALIFIED COMMUNITY FOUNDATION SUBJECT TO CERTAIN REQUIREMENTS; TO PROVIDE THAT THE AGGREGATE AMOUNT OF TAX CREDITS AUTHORIZED UNDER THIS ACT SHALL NOT EXCEED \$500,000.00 IN ANY ONE CALENDAR YEAR; TO PROVIDE THAT FROM AND AFTER JANUARY 1, 2024, NO CREDITS MAY BE AUTHORIZED UNDER THIS ACT; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. This act shall be known and may be cited as the "Endow Mississippi Program."

SECTION 2. The purpose of this act is to promote philanthropic investments in local community development programs and activities, and to enhance the quality of life for Mississippi's children, families and communities, by providing a tax credit for charitable gifts made by taxpayers to endowed funds held by community foundations in Mississippi.

SECTION 3. As used in this act:

(a) "Qualified community foundation" means an entity that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code that is recognized by the Mississippi Association of Grantmakers as meeting the following requirements:

(i) It is organized by articles of incorporation in the State of Mississippi to serve the State of Mississippi, or one or more Mississippi counties or municipalities, or a combination thereof;

(ii) It is comprised of permanent, component funds established by multiple separate donors;

(iii) It supports broad-based charitable interests that benefit the residents of a defined geographic area, no larger than the State of Mississippi;

(iv) It is directed by a board of directors that is comprised of community representatives and is independent in that it is not subject to the control of another entity;

(v) It actively engages in charitable activities, including, but not limited to, supporting two (2) or more unaffiliated tax-exempt organizations through grants or other professionally accepted means of charitable support, and serving in leadership roles on important community issues;

(vi) It complies with the guidelines of the Mississippi Association of Grantmakers, or its successor entity, for membership by a community foundation; and

(vii) It is in good standing with having complied with Endow Mississippi certification, reporting, and data privacy requirements.

(b) "Endowment gift" means an irrevocable contribution to an endowed fund held by a qualified community foundation.

(c) "Qualified contribution" means an endowment gift of at least One Thousand Dollars (\$1,000.00) made to a qualified community foundation for an endowed fund established to substantially benefit charitable causes in this state, and that is a charitable gift as defined in Section 170(c) of the Internal Revenue Code. A qualified contribution may take any form, subject to the giving policies of the qualified community foundation receiving it.

(d) "Endowed fund" means a fund held in a qualified community foundation that provides benefit to charitable causes in Mississippi that is intended to exist in perpetuity. An endowed fund may include, but is not limited to, donor-advised funds, community foundation affiliate funds, field-of-interest funds, agency funds and designated organizational funds.

SECTION 4. (1) Subject to the limitations provided for in this section, through calendar year 2023 a taxpayer shall be allowed a credit against the tax imposed by Chapter 7, Title 27, in an amount equal to twenty-five percent (25%) of a qualified contribution to an endowed fund at a qualified community foundation, subject to the following:

(a) The minimum amount of a qualified contribution shall be One Thousand Dollars (\$1,000.00).

(b) The maximum amount of a qualified contribution shall be Two Hundred Thousand Dollars (\$200,000.00).

(c) The total qualified contributions from any qualified taxpayer eligible for the tax credit authorized under this section shall be Two Hundred Thousand Dollars (\$200,000.00) per year.

(2) Except as otherwise provided in this subsection, the aggregate amount of tax credits authorized under this act shall not exceed Five Hundred Thousand Dollars (\$500,000.00) in any one (1) calendar year. The credits shall be awarded on a first-come, first-served basis. If the tax credits authorized for use in any calendar year are not utilized, the amount not utilized may be awarded or carried forward in up to five (5) subsequent calendar years from the year in which such credits are made available.

(3) If the amount allowable as a credit exceeds the tax imposed by Chapter 7, Title 27, the amount of such excess may be carried forward for not more than five (5) subsequent taxable years.

(4) From and after January 1, 2024, no additional credits shall be authorized under this section; however, any tax credits authorized prior to January 1, 2024, and not used, may be carried forward for not more than five (5) taxable years subsequent to calendar year 2023.

SECTION 5. For each calendar year, a total of ten percent (10%) of the authorized tax credits shall be reserved for qualified contributions to each of the qualified community foundations in Mississippi for a period of nine (9) months. Any credits that are not utilized within the nine-month period shall be utilized for qualified contributions to any qualified community foundation on a first-come, first-served basis. Any credits not specifically reserved under this section shall also be available to any qualified community foundation on a first-come, first-served basis. The Mississippi Association of Grantmakers, or its successor entity, shall, in cooperation with qualified community foundations, develop, establish and maintain records that determine the priority for the awarding of tax credits under this act.

SECTION 6. (1) The Mississippi Association of Grantmakers, or its successor entity, in cooperation with qualified community foundations in Mississippi, shall develop application forms, procedures for the review and approval of applications for tax credits authorized under this act, for the issuance of tax credits authorized under this act, and to establish reporting and monitoring requirements for the tax credits authorized by this act. The Mississippi Association of Grantmakers, or its successor entity, shall also develop or revise forms by which the tax credits are reported to the State of Mississippi.

(2) Application forms shall be available online and in print from the Mississippi Association of Grantmakers, or its successor entity, and qualifying community foundations.

(3) Applications shall be filed jointly by the qualified taxpayer seeking the tax credit and the qualified community foundation that is to receive the proposed qualifying contribution. The qualified community foundation shall:

- (a) Log the date and time each application is received;
- (b) Review each application for compliance with this section;

- (c) Forward required documentation for applications to the Mississippi Association of Grantmakers, or its successor entity; and

- (d) Certify that the applications are for qualifying contributions that are eligible for tax credits.

(4) The Mississippi Association of Grantmakers, or its successor entity, shall review the applications and documentation. The Mississippi Association of Grantmakers, or its successor entity, shall provide lists of approved applications to qualified community foundations, who in turn shall issue notice of approval of tax credits to the taxpayer seeking the credit. Upon notice of approval, the qualifying contribution shall be made by the qualified taxpayer within a reasonable time, dependent on the form of the qualifying contribution and the giving policies of the qualified community foundation.

(5) The Mississippi Association of Grantmakers, or its successor entity, shall monitor all tax credits issued pursuant to this act and, on or before December 31 of each year, certify to the Mississippi Department of Revenue all tax credits approved pursuant to this act and provide the department with all data required to ensure that qualified taxpayers receive any credit to which they are entitled.

SECTION 7. (1) No tax credits issued under this act to any qualified taxpayer shall be sold or otherwise transferable to any other taxpayer.

(2) Should the total amount of tax credits available, whether reserved to qualified community foundations or otherwise, be less than the total amount of tax credit requested under the provisions of this act, the Mississippi Association of Grantmakers, or its successor entity, shall determine the process for the allocation of any available tax credits.

(3) All applications for tax credits and any subsequent documentation of the process of application and issuance of tax credits shall be subject to applicable privacy laws.

(4) The Mississippi Association of Grantmakers, or its successor entity, may request qualifying community foundations to periodically report on the impact of tax credits issued under this act, including, but not limited to:

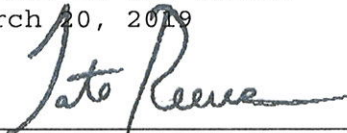
(a) Increases to endowed funds held by qualified community foundations;

(b) Capture of generational transfer of wealth for the benefit of Mississippi communities and organizations; and

(c) Improvements to and support of community development programs, projects and activities.

SECTION 8. This act shall take effect and be in force from and after January 1, 2019.

PASSED BY THE SENATE
March 20, 2019



PRESIDENT OF THE SENATE

PASSED BY THE HOUSE OF REPRESENTATIVES
March 12, 2019



SPEAKER OF THE HOUSE OF REPRESENTATIVES

APPROVED BY THE GOVERNOR



GOVERNOR

3/29/2019 2:31pm